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Housing Authority of the City of Lafayette Lafayette, Louisiana

General Purpose Financial Statements and
Independent Auditors Reports
As of and for the Year Ending September 30, 2000
With Supplemental Information Schedules

WILLIAM DANIEL McCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 04/11/01

TABLE OF CONTENTS

Independent auditor's report and unqualified opinion on general purpose financial statements.

Exhibits– General purpose financial statements as of and for the fiscal year ending September 30, 2000:

- (A) Combined Balance Sheet for all funds
- (B) Combined Statement of Revenue, Expenses, and Change in Equity for all funds
- (C) Combined Statement of Cash Flows for all funds
- (D) Combined Statement of Revenues & Expenditures -- Budget vs Actual for the general fund

Notes to the financial statements

Supplementary information schedules (GAAP):

- I Schedule of Expenditures of Federal Awards
- II Combining Balance Sheet for all funds
- III Combining Statement of Revenue, Expenses, and Change in Equity for all funds

Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with governmental auditing standards

Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

Schedule of Prior Audit Findings

Schedule of Audit Adjusting Journal Entries

Schedule of Current Audit Findings and Questioned Costs

Schedule of Corrective Action Plan

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**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Commissioners
Housing Authority of the City of Lafayette
Lafayette, Louisiana

I have audited the accompanying general purpose financial statements of the Housing Authority of the City of Lafayette (PHA) as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

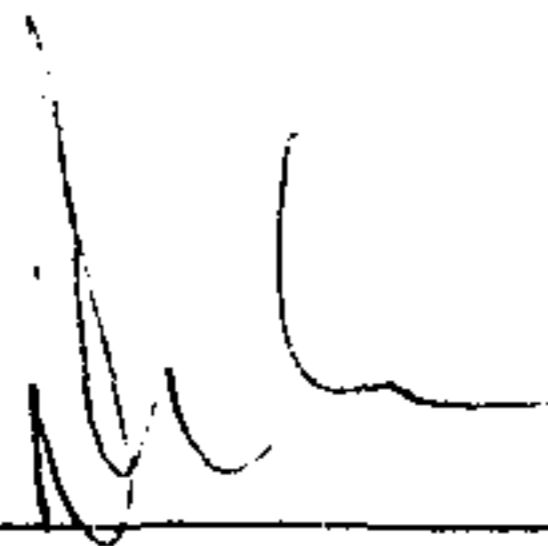
I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards required that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Lafayette as of September 30, 2000, and the results of its operations and the cash flows of its propriety fund types for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated January 24, 2001 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying Schedule of Expenditures of Federal Awards and Financial Data Schedule are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 24, 2001

**Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combined Balance Sheet - All Funds
As of Month September 30, 2000**

EXHIBIT A
Page 1 of 1

Assets

Current Assets:

Cash and Cash Equivalents	\$ 675,253
Total Accounts Receivable, Net of Allowance for Doubtful Accounts	124,311
Investments - Unrestricted	593,382
Interprogram Due From	1,497,983
Prepaid Expenses and Other Assets	67,873
Inventories	10,991
Total Current Assets	<u>\$ 2,969,793</u>

Noncurrent Assets:

Total Fixed Assets, Net of Accumulated Depreciation	\$ 4,655,948
Other Assets	5,000
Total Noncurrent Assets	<u>\$ 4,660,948</u>

Total Assets	<u><u>\$ 7,630,741</u></u>
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Liabilities and Equity

Current Liabilities:

Accrued Compensated Absences	\$ 20,073
Accrued Wage/Payroll Taxes Payable	6,497
Accounts Payable < 90 Days	77,677
Accounts Payable - HUD PHA Programs	552,949
Accounts Payable - Other Government	100,030
Tenant Security Deposits	39,696
Deferred Revenues	-
Current Portion of LT Debt - Capital Projects	-
Accrued Liabilities - Other	-
Interprogram Due To	1,497,983
Total Current Liabilities	<u>\$ 2,294,905</u>

Total Noncurrent Liabilities	84,000
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Total Liabilities	\$ 2,378,905
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Total Fund Equity	<u>\$ 5,251,836</u>
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Total Liabilities and Equity	<u><u>\$ 7,630,741</u></u>
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See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combined Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000

EXHIBIT B
Page 1 of 1

Revenues:	
Net Tenant Rental Revenue	\$ 961,019
HUD PHA Grants	4,086,754
Other Government Grants	24,957
Investment Income - Unrestricted	47,560
Other Revenue	205,064
Total Revenues	<u>\$ 5,325,354</u>
Operating Expenses:	
Administrative	\$ 1,154,465
Tenant Services	99,207
Utilities	445,405
Ordinary Maintenance & Operations	935,678
Protective Services	-
Insurance Premiums	208,178
Other General Expenses	151,195
Total Operating Expenses Before Depreciation	<u>\$ 2,994,128</u>
Excess Revenue Over Expenses Before Depreciation	\$ 2,331,226
Extraordinary Maintenance	4,630
Casualty Losses - Non-Capitalized	-
Housing Assistance Payments	2,574,682
Depreciation Expense	455,731
Operating Transfers - In	1
Operating Transfers - Out	(1)
Net Operating Income (Loss) After Depreciation	<u>\$ (703,817)</u>
Equity:	
Beginning Equity @ 9/30/99	\$ 5,374,775
Net Operating Income (Loss) After Depreciation	(703,817)
Prior Period Adjustments	(239,652)
Capital Outlays	820,530
Ending Equity @ 9/30/00	<u>\$ 5,251,836</u>

See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000

EXHIBIT C
Page 1 of 2

Cash flows from operating activities:	
Cash received from tenants	\$ 961,019
Cash received from other income	230,021
Cash paid for goods and services	(4,605,833)
Cash paid to employees	<u>(915,722)</u>
Net cash provided by operating activities	<u>\$ (4,330,515)</u>
Cash flows from noncapital financing activities:	
Operating grants and subsidies - soft costs	\$ 291,537
Cash paid for goods and services	<u>(291,537)</u>
Net cash - soft costs	\$ -
State/Local Grants	\$ -
Operating subsidy - Low rent	932,798
Operating subsidy - Section 8	<u>2,862,419</u>
Net cash provided from noncapital financing activities	<u>\$ 3,795,217</u>
Cash flows from capital and related financing activities:	
Proceeds from grants	820,530
Acquisition of capital assets	(820,530)
Proceeds from financing	
Acquisition of capital assets	<u></u>
Net cash used for capital and related financing activities	\$ -
Cash flows from investing activities:	
Interest on Investments	<u>\$ 47,560</u>
Total cash from investing activities	\$ 47,560
Total Cash Provided (Page 1)	\$ (487,738)

See notes to financial statements

**Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combined Statement of Cash Flows - All Funds
For Fiscal Year Ending September 30, 2000**

EXHIBIT C
Page 2 of 2

Reconciliation of operating income to net cash provided by operating activities:

Adjustments to reconcile operating income to net cash	\$ (9,942)
Total net adjustments -non cash	\$ (9,972)
Adjustments to reconcile operating income to net cash:	
(Increase) Decrease in tenant rents receivable	\$ 34,601
(Increase) Decrease in other assets	4,851
(Increase) Decrease in prepaid expenses & other assets	12,437
(Increase) Decrease in accounts receivable other government	(39,108)
(Increase) Decrease in accounts receivable HUD other projects	44,229
(Increase) Decrease in accounts receivable misc	23,798
Increase (Decrease) in accounts payable other governments	46,628
Increase (Decrease) in accounts payable and accrued liabilities	(59,826)
Increase (Decrease) in noncurrent liabilities	84,000
Increase (Decrease) in accounts payable HUD PHA programs	59,640
Increase (Decrease) in accrued compensated absences	(2,957)
Increase (Decrease) in payroll taxes payable	1,826
Increase (Decrease) in tenant security deposits	(3,839)
Total adjustments to reconcile operating income to net cash	\$ 206,280
Net change (decrease) in cash and cash equivalents	\$ (291,430)
Cash and cash equivalents at beginning of year	1,560,065
Cash and cash equivalents at end of year (exhibit A)	\$ 1,268,635

See notes to financial statements

Housing Authority of the City of Lafayette

Lafayette, Louisiana

Combined Statement of Revenues & Expenditures - Budget vs. Actual

Low Rent, Voucher, and Certificate Programs

For Fiscal Year Ending September 30, 2000

EXHIBIT D

Page 1 of 1

	Low Rent Public Housing			Section 8 Voucher Program			Section 8 Certificate Program		
	Budget (HUD 52599)	Actual (Sch 3, Col B)	Variance Actual-Budget Over (Under)	Budget (HUD 52599)	Actual (Sch 3, Col H)	Variance Actual-Budget Over (Under)	Budget (HUD 52599)	Actual (Sch 3, Col I)	Variance Actual-Budget Over (Under)
Revenues									
Local Sources:									
Total Tenant Rental Revenue	\$ 939,960	\$ 961,019	\$ 21,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income - Unrestricted	15,660	42,292	26,632	-	-	-	-	-	-
Receipts from Sale of Equipment		-	-	-	-	-	-	-	-
Other Revenue	34,180	130,635	96,455	6,946	12,124	5,178	56,740	74,494	17,754
Federal Sources:									
Operating Subsidy / HUD PHA Grants	1,010,931	932,798	(78,133)	1,730,072	2,268,109	538,037	736,689	594,310	(142,379)
Annual Contributions		-	-	-	-	-	-	-	-
Total Revenues	\$ 2,000,731	\$ 2,066,744	\$ 66,013	\$ 1,737,018	\$ 2,280,233	\$ 543,215	\$ 793,429	\$ 668,804	\$ (124,625)
Expenditures									
Administrative	\$ 565,000	\$ 487,325	\$ (77,675)	\$ 270,357	\$ 89,555	\$ (180,802)	\$ 77,094	\$ 161,212	\$ 84,118
Tenant Services	92,000	70,775	(21,225)	-	-	-	-	-	-
Utilities	491,970	445,405	(46,565)	-	-	-	-	-	-
Ordinary Maintenance & Operations	660,850	742,970	82,120	-	-	-	-	-	-
Employee Benefit Contributions	310,000	315,914	5,914	-	-	-	-	30,549	30,549
Other General Expenses	194,000	289,084	95,084	-	-	-	-	16,752	16,752
Payments in Lieu of Taxes	54,000	46,358	(7,642)	-	-	-	-	-	-
Nonroutine Maintenance	6,400	4,630	(1,770)	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-	-	-
Housing Assistance Payments	-	-	-	2,366,794	2,033,999	(332,795)	633,544	540,683	(92,861)
Total Expenditures	\$ 2,374,220	\$ 2,402,461	\$ 28,241	\$ 2,637,151	\$ 2,123,554	\$ (513,597)	\$ 710,638	\$ 749,196	\$ 38,558
Excess Revenues (Deficiency) Over Expenses	\$ (373,489)	\$ (335,717)	\$ 37,772	\$ (900,133)	\$ 156,679	\$ 1,056,812	\$ 82,791	\$ (80,392)	\$ (163,183)

See notes to financial statements

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

Housing Authorities are chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Lafayette, Louisiana. This creation was contingent upon the local governing body of the city, county, or parish as applicable. A five member Board of Commissioners governs the PHA. The members, appointed by the Mayor of Lafayette, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

NOTE A - FINANCIAL REPORTING:

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of September 30, 2000, and for the fiscal then ended, the PHA had no discretely presented component units or any component units that are required to be blended in these financial statements.

(2) Accounting Principle

The PHA uses the governmental GAAP enterprise method of accounting.

The enterprise method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The enterprise method recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable.

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

Depreciation expense must be recognized for the enterprise method of accounting. Under the HUD regulatory method of accounting, depreciation was not recognized.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

(3) Budgetary Data

The PHA is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS:

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 2000. The categories are described as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3: Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

Housing Authority of the City of Lafayette
Lafayette, Louisiana

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category 1	Category 2	Category 3
\$ 1,268,635	\$ 100,000	\$ -0-	\$ 1,168,635

NOTE C - ACTIVITIES OF THE PHA:

At September 30, 2000, the PHA was managing a Low Rent Public Housing Program, a Public and Indian Housing Drug Elimination Program, Section 8 Rental Voucher and Rental Certificates Programs, and a Public Housing Comprehensive Grant Program.

NOTE D - CONTINGENCIES:

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE E - FIXED ASSETS:

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Non-dwelling structures	20 Years
Equipment	3-7 Years

Public Housing Low Rent Program	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Land	\$ 572,000	-0-	-0-	\$ 572,000
Buildings	\$ 16,253,642	\$ 213,251	\$ 14,891,887	\$ 1,361,755
Furniture & Equipment – Administration	\$ 468,975	\$ 43,827	\$ 354,299	\$ 114,676
Leasehold Improvements	\$ 1	-0-	-0-	\$ 1
TOTAL	\$ 17,294,618	\$ 257,078	\$ 15,246,186	\$ 2,048,432

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

Public Housing CGP	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Buildings	\$ 2,895,329	\$ 175,666	\$ 418,926	\$ 2,476,403
Leasehold Improvements	\$ 127,982	\$ 10,621	\$ 31,862	\$ 96,120
TOTAL	\$ 3,023,311	\$ 186,287	\$ 450,788	\$ 2,572,523

Section 8 Rental Certificate Program	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Furniture & Equipment -- Administration	\$ 68,151	\$ 3,065	\$ 40,206	\$ 27,945
TOTAL	\$ 68,151	\$ 3,065	\$ 40,206	\$ 27,945

Section 8 Rental Voucher Program	Cost	Current Depreciation	Accumulated Depreciation	Net Asset Value
Furniture & Equipment -- Administration	\$ 29,209	\$ 9,301	\$ 22,161	\$ 7,048
TOTAL	\$ 29,209	\$ 9,301	\$ 22,161	\$ 7,048

The capitalization limit is \$5,000.

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F - LONG-TERM DEBT:

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the authority, and accordingly, have not been reported in the accompanying financial statements. The amount of this debt that has been reclassified to HUD Equity \$-0-.

NOTE G - RETIREMENT PLAN:

The entity provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-month exclusionary period. The employee contributes 5% and the entity contributes 8% of the employee's base monthly salary. The entity's contributions for each employee (and interest allocated to the employee's account) vest at 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

The entity's total payroll for the fiscal year ending September 30, 2000 was \$915,722. The entity's contributions were calculated using the base salary amount of \$915,722. Contributions to the plan were \$45,786 and \$73,258, by the employees and the entity, respectively.

NOTE H - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

NOTE I - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE J - PRIOR PERIOD ADJUSTMENTS

	Low Rent Public Housing Program	Section 8 Rental Voucher Program	Business Activities	Total
Adjust for PIH Grant	\$ (55,386)			\$ (55,386)
Mandatory PFS Adjustment 1999	\$ (67,529)			\$ (67,529)
Insurance Adjustment	\$ (22,179)			\$ (22,179)
Accounts Payable Adjustment	\$ (70,667)			\$ (70,667)
Adjust Mod Ledgers	\$ (171,836)			\$ (171,836)
Void Old O/S Checks		\$ 57,860		\$ 57,860
Restate Beginning Equity			\$ 90,085	\$ 90,085
TOTAL	\$ (387,597)	\$ 57,860	\$ 90,085	\$ (239,652)

Housing Authority of the City of Lafayette
Lafayette, Louisiana

NOTE K – INTERFUND RECEIVABLES / PAYABLES:

Program	Debit	Credit
Low Rent Public Housing	\$ 6,873	\$ 396,365
Section 8 Rental Voucher Program	\$ 1,014,380	\$ 80,365
Section 8 Rental Certificate Program	\$ 476,730	\$ 1,014,380
Business Activities		\$ 6,873
TOTAL	\$ 1,497,983	\$ 1,497,983

NOTE L - COMPENSATED ABSENCES:

At September 30, 2000, employees of the PHA have accumulated and vested \$20,073 of employee-leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2000 was \$ 20,073.

**Housing Authority of the City of Lafayette
Lafayette, Louisiana
Expenditures of Federal Awards
For Fiscal Year Ending September 30, 2000**

SCHEDULE I

Page 1 of 1

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Federal Award Expenditure</i>
14.850a	Low Rent Public Housing	932,798
14.854	Public and Indian Housing Drug Elimination Program	160,051
14.855	Secion 8 Rental Voucher Program	2,268,109
14.857	Section 8 Rental Certificate Program	594,310
14.859	Public Housing Comprehensive Grant Program	952,016
	Total Federal Expenditures	<u>\$ 4,907,284</u>

See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combining Balance Sheet - All Funds
As of Month September 30, 2000

SCHEDULE H
Page 1 of 2

	Public Housing Programs		Section 8 Programs			PIH		Total
	Low Rent	GCP	Rental Voucher	Rental Certificate	Drug Elimination	Business Activities		
Assets								
Current Assets:								
Cash - Unrestricted	\$ 390,594	\$ -	\$ -	\$ 137,024	\$ -	\$ 107,939	\$ -	\$ 635,557
Cash - Tenant Security Deposits	39,696	-	-	-	-	-	-	39,696
Total Cash	\$ 430,290	\$ -	\$ -	\$ 137,024	\$ -	\$ 107,939	\$ -	\$ 675,253
Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable - HUD Other Projects	23,327	-	-	-	-	-	-	23,327
Accounts Receivable - Other Government	-	-	-	94,689	-	-	-	94,689
Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-
Accounts Receivable - Tenants Dwelling Rents	6,924	-	-	-	-	-	-	6,924
Allowance for Doubtful Accounts - Dwelling Rents	(629)	-	-	-	-	-	-	(629)
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Total Accounts Receivable, Net of Allowance	\$ 29,622	\$ -	\$ -	\$ 94,689	\$ -	\$ -	\$ -	\$ 124,311
Interprogram Due From Investments - Unrestricted	\$ 6,873	\$ -	\$ 1,014,380	\$ 476,730	\$ -	\$ -	\$ -	\$ 1,497,983
Prepaid Expenses and Other Assets	296,691	-	-	296,691	-	-	-	593,382
Inventories	67,873	-	-	-	-	-	-	67,873
Total Other Assets	10,991	-	-	-	-	-	-	10,991
Total Current Assets	\$ 382,428	\$ -	\$ 1,014,380	\$ 773,421	\$ -	\$ -	\$ -	\$ 2,170,229
Total Current Assets	\$ 842,340	\$ -	\$ 1,014,380	\$ 1,005,134	\$ -	\$ 107,939	\$ -	\$ 2,969,793
Noncurrent Assets:								
Land	\$ 572,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 572,000
Buildings	16,253,642	2,895,329	-	-	-	-	-	19,148,971
Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-
Furniture, Equipment & Machinery - Administration	468,975	-	29,208	68,150	-	-	-	566,333
Leasehold Improvements	1	127,982	1	1	-	-	-	127,985
Accumulated Depreciation	(15,246,186)	(450,788)	(22,161)	(40,206)	-	-	-	(15,759,341)
Construction In Progress	-	-	-	-	-	-	-	-
Total Fixed Assets, Net of Accumulated Depreciation	\$ 2,048,432	\$ 2,572,523	\$ 7,048	\$ 27,945	\$ -	\$ -	\$ -	\$ 4,655,948
Other Assets	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total Noncurrent Assets	\$ 2,053,432	\$ 2,572,523	\$ 7,048	\$ 27,945	\$ -	\$ -	\$ -	\$ 4,660,948
Total Assets	\$ 2,895,772	\$ 2,572,523	\$ 1,021,428	\$ 1,033,079	\$ -	\$ 107,939	\$ -	\$ 7,630,741

See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana
Combining Balance Sheet - All Funds
As of Month September 30, 2000

SCHEDULE II
Page 2 of 2

	<u>Public Housing Programs</u>		<u>Section 8 Programs</u>		<u>PIH</u>		<u>Total</u>
	<u>Low Rent</u>	<u>GCP</u>	<u>Rental Voucher</u>	<u>Rental Certificate</u>	<u>Drug Elimination</u>	<u>Business Activities</u>	
<u>Liabilities and Equity</u>							
Current Liabilities:							
Accrued Compensated Absences	\$ 16,380	\$ -	\$ 1,204	\$ 2,489	\$ -	\$ -	\$ 20,073
Accrued Wage/Payroll Taxes Payable	6,497	-	-	-	-	-	6,497
Accounts Payable < 90 Days	77,677	-	-	-	-	-	77,677
Accounts Payable - HUD PHA Programs	67,529	-	369,042	116,378	-	-	552,949
Accounts Payable - Other Government	100,030	-	-	-	-	-	100,030
Tenant Security Deposits	39,696	-	-	-	-	-	39,696
Deferred Revenues	-	-	-	-	-	-	-
Current Portion of LT Debt - Capital Projects	-	-	-	-	-	-	-
Accrued Liabilities - Other	-	-	-	-	-	-	-
Interprogram Due To	396,365	-	80,365	1,014,380	-	6,873	1,497,983
Total Current Liabilities	\$ 704,174	\$ -	\$ 450,611	\$ 1,133,247	\$ -	\$ 6,873	\$ 2,294,905
Noncurrent Liabilities:							
Long-term Debt, Net of Current - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Noncurrent Liabilities - Other	70,000	-	4,000	10,000	-	-	84,000
Total Noncurrent Liabilities	\$ 70,000	\$ -	\$ 4,000	\$ 10,000	\$ -	\$ -	\$ 84,000
Total Liabilities	\$ 774,174	\$ -	\$ 454,611	\$ 1,143,247	\$ -	\$ 6,873	\$ 2,378,905
Equity:							
Project Notes (HUD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term Debt - HUD Guaranteed	-	-	-	-	-	-	-
Net HUD PHA Contributions	2,048,432	2,572,523	-	-	-	-	4,620,955
Other Contributions	-	-	-	-	-	-	-
Total Contributed Capital	\$ 2,048,432	\$ 2,572,523	\$ -	\$ -	\$ -	\$ -	\$ 4,620,955
Undesignated Fund Balance/Retained Earnings	\$ 73,166	\$ -	\$ 566,817	\$ (110,168)	\$ -	\$ 101,066	630,881
Total Equity	\$ 2,121,598	\$ 2,572,523	\$ 566,817	\$ (110,168)	\$ -	\$ 101,066	\$ 5,251,836
Total Liabilities and Equity	\$ 2,895,772	\$ 2,572,523	\$ 1,021,428	\$ 1,033,079	\$ -	\$ 107,939	\$ 7,630,741

See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana

SCHEDULE III
Page 1 of 2

Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000

	Public Housing Programs			Section 8 Programs			PIH		Total
	Low Rent	GCP	Rental Voucher	Rental Certificate	Drug Elimination	Business Activities			
Revenues:									
Net Tenant Rental Revenue	\$ 842,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 842,383
Net Tenant Revenue - Other	118,636	-	-	-	-	-	-	-	118,636
Total Tenant Rental Revenue	\$ 961,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 961,019
HUD PHA Grants	\$ 932,798	\$ 131,486	\$ 2,268,109	\$ 594,310	\$ 160,051	\$ -	\$ -	\$ -	\$ 4,086,754
Gain/Loss on Sale of Fixed Assets	-	-	8,121	16,836	-	-	-	-	24,957
Investment Income - Unrestricted	42,292	-	-	-	-	-	5,268	-	47,560
Other Revenue	130,635	-	4,003	57,658	-	-	12,768	-	205,064
Total Other Revenue	\$ 1,105,725	\$ 131,486	\$ 2,280,233	\$ 668,804	\$ 160,051	\$ -	\$ 18,036	\$ -	\$ 4,364,335
Total Revenue	\$ 2,066,744	\$ 131,486	\$ 2,280,233	\$ 668,804	\$ 160,051	\$ -	\$ 18,036	\$ -	\$ 5,325,354
Operating Expenses:									
Administrative Salaries	\$ 228,460	\$ -	\$ 46,817	\$ 109,241	\$ -	\$ -	\$ -	\$ -	\$ 384,518
Auditing Fees	18,735	-	-	-	-	-	-	-	18,735
Compensated Absences	32,243	-	5,204	12,489	-	-	-	-	49,936
Employee Benefit Contributions-Administrative	94,774	-	12,575	30,549	-	-	-	-	137,898
Other Operating - Administrative	207,887	131,486	17,780	39,482	160,051	6,692	-	-	563,378
Tenant Services-Salaries	70,310	-	-	-	-	-	-	-	70,310
Employee Benefit Contributions-Tenant Services	28,432	-	-	-	-	-	-	-	28,432
Tenant Services-Other	465	-	-	-	-	-	-	-	465
Water	125,661	-	-	-	-	-	-	-	125,661
Electricity	206,932	-	-	-	-	-	-	-	206,932
Gas	112,812	-	-	-	-	-	-	-	112,812
Other Utilities Expense	-	-	-	-	-	-	-	-	-
Ordinary Maintenance & Operations-Labor	460,894	-	-	-	-	-	-	-	460,894
Ordinary Maintenance & Operations-Materials	77,431	-	-	-	-	-	-	-	77,431
Ordinary Maintenance & Operations-Contract	204,645	-	-	-	-	-	-	-	204,645
Employee Benefit Contributions-Maintenance	192,708	-	-	-	-	-	-	-	192,708
Insurance Premiums	184,247	-	7,179	16,752	-	-	-	-	208,178
Other General Expenses	-	-	-	-	-	-	-	-	-
Payments in Lieu of Taxes	46,358	-	-	-	-	-	-	-	46,358
Bad Debt - Tenant Rents	104,837	-	-	-	-	-	-	-	104,837
Interest Expense	-	-	-	-	-	-	-	-	-
Total Operating Expenses Before Depreciation	\$ 2,397,831	\$ 131,486	\$ 89,555	\$ 208,513	\$ 160,051	\$ 6,692	\$ -	\$ -	\$ 2,994,128

See notes to financial statements

Housing Authority of the City of Lafayette
Lafayette, Louisiana

SCHEDULE III
Page 2 of 2

Combining Statement of Revenue, Expenses, and Change in Equity - All Funds
For Fiscal Year Ending September 30, 2000

	<u>Public Housing Programs</u>		<u>Section 8 Programs</u>			<u>PIH</u>		<u>Total</u>
	<u>Low Rent</u>	<u>GCP</u>	<u>Rental Voucher</u>	<u>Rental Certificate</u>	<u>Drug Elimination</u>	<u>Business Activities</u>		
Excess Revenue Over Expenses Before Depreciation	\$ (331,087)	\$ -	\$ 2,190,678	\$ 460,291	\$ -	\$ 11,344	2,331,226	
Extraordinary Maintenance	4,630	-	-	-	-	-	4,630	
Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	
Housing Assistance Payments	-	-	2,033,999	540,683	-	-	2,574,682	
Depreciation Expense	257,078	186,287	3,065	9,301	-	-	455,731	
Operating Transfers - In	-	-	-	-	-	1	1	
Operating Transfers - Out	-	-	-	-	-	(1)	(1)	
Net Operating Income (Loss) After Depreciation	\$ (592,795)	\$ (186,287)	\$ 153,614	\$ (89,693)	\$ -	\$ 11,344	\$ (703,817)	
Beginning Equity @ 9/30/99	\$ 3,101,990	\$ 1,938,280	\$ 355,343	\$ (20,475)	\$ -	\$ (363)	\$ 5,374,775	
Net Operating Income (Loss) After Depreciation	(592,795)	(186,287)	153,614	(89,693)	-	11,344	(703,817)	
Prior Period Adjustments	(387,597)	-	57,860	-	-	90,085	(239,652)	
Capital Outlays Enterprise Fund	-	820,530	-	-	-	-	820,530	
Ending Equity @ 9/30/00	\$ 2,121,598	\$ 2,572,523	\$ 566,817	\$ (110,168)	\$ -	\$ 101,066	\$ 5,251,836	

See notes to financial statements

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Lafayette
Lafayette, Louisiana

I have audited the financial statements of the Housing Authority of the City of Lafayette (PHA), as of and for the year ended September 30, 2000 and have issued my report thereon dated January 24, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item 2000-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operating that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to

significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the PHA's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2000-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, of the reportable conditions described above, I consider item 2000-1 to be a material weakness.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

January 24, 2001

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Housing Authority of the City of Lafayette
Lafayette, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Lafayette (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2000. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with: generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

As described in items 2000-1a in the accompanying Schedule of Findings and Questioned Costs, the PHA did not comply with requirements regarding reporting and cash management that are applicable to its Low Income Housing Program, Section 8 Program, Comprehensive Grants, and PHDEP. Compliance with such requirements is necessary, in my opinion, for the PHA to comply with requirements applicable to these programs.

In my opinion, except for the noncompliance described in the preceding paragraph, the PHA complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000.

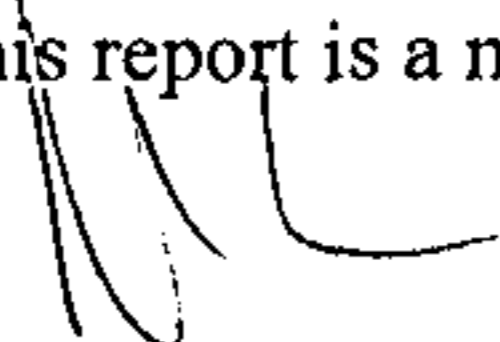
Internal Control Over Compliance

The management of the PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the PHA's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2000-1a.

A material weakness is a condition in which the design or operation of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 2000-1a to be a material weakness.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

SCHEDULE OF PRIOR AUDIT FINDINGS

The Prior audit included finding 99-1 - the accounting department failed to perform adequately.

This is repeated as finding 2000-1.

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

SCHEDULE OF AUDIT ADJUSTING JOURNAL ENTRIES

None

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS***

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. There were reportable conditions in internal controls found that are required to be disclosed at the financial statement level.
- iii. The audit disclosed noncompliance that is material to the financial statements.
- iv. Reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was qualified.
- vi. The report disclosed audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

<u>CFDA#</u>	<u>Name of Program</u>
14.850a	Low Rent Public Housing
14.855	Section 8 Rental Voucher Program
14.857	Section 8 Rental Certificate Program
14.859	Public Housing Comprehensive Grant Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
 - ix. The auditee was not considered a low risk auditee.
2. Finding relating to the financial statements required to be reported with GAGAS are as follows:

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS
(continued)***

Finding Number 2000-1:

Statement of Conditions - The accounting department failed to perform adequately as follows:

The monthly financial statements were produced untimely.

CGP expenditure checks did not include accurate account coding.

CGP reimbursements to Low Rent were not correctly credited to the appropriate expense accounts.

CGP and PHDEP subsidiary ledgers were not correctly maintained.

Lack of adequate control by PHA staff over the budgeted expenditures for the CGP & PHDEP programs existed.

Criteria - To adequately perform, the accounting department should:

Monthly financials should always be current.

CGP expenditure checks must have adequate account coding.

CGP reimbursements to Low Rent should be credited to the appropriate expense account.

CGP and PHDEP subsidiary ledgers should be correctly maintained.

Adequate control over grant program budgets should be maintained by PHA staff.

Effect -

The PHA did not have adequate controls over its financial operations.

The PHA overran its budget by more than the 5% allowed by State law.

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS
(continued)***

CGP and PHDEP grant expenditure accounting required much year end work to properly reconcile the subsidiary ledgers. The PHA wisely had the CGP and PHDEP coordinator keep excellent records enabling this reconciliation.

Cause - The PHA was negatively affected by 1) the former in house accountant did a poor job of accounting, and 2) when he was terminated the books and records were in terrible condition requiring much reconstruction.

PHA Response - See Corrective Action Plan

3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a all with HUD oversight:

Finding 2000-1a:

This finding is the same as recited in part 2 (GAS).

1. Name of Program—This program is entity wide. Programs affected include Low Rent, CGP, PHDEP, Vouchers and Certificates.
CFDA Number—14.850, 14.857, 14.855, 14.859, & 14.854
Federal Award Year—2000
Name of Federal Agency—HUD
2. Criteria—Please see the Criteria section in the GAS finding.
3. Condition—Please see the Condition section in the GAS finding.
4. Amount of questioned costs and how they were computed —NONE.
5. The finding is entity wide in that the accounting department serves each program the PHA administers.
6. Effect—Please see the Effect section in the GAS finding.

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

***SCHEDULE OF CURRENT AUDIT FINDINGS
AND QUESTIONED COSTS
(continued)***

7. Recommendations to prevent future occurrences of the finding include 1) continuing the excellent services of the local CPA firm subcontractor, 2) hiring and training accounting staff capable of performing adequately, 3) strict monthly monitoring of the financials.
8. PHA officials agree with this finding,

**Housing Authority of the City of Lafayette
Lafayette, Louisiana**

SCHEDULE OF CORRECTIVE ACTION PLAN

Person Responsible—Walter Guillory

Estimated Completion Date—4-30-01

Action Planned—We have corrected the general ledger as of 9-30-2000. We have hired a local CPA firm to bring the monthly statements current and keep them current. This CPA firm is almost caught up. We have advertised for an accounting department head and have excellent applications. Within 2 weeks we will choose the new department head who will work closely with the local CPA firm to ensure timely and accurate financial records. We have instituted a policy whereby the staff member responsible for the CGP and PHDEP program has the necessary information available to properly monitor these grant programs. We have asked our auditor to visit the PHA on an irregular, unannounced basis during the fiscal year to monitor our activities during the year and not just at year end. We note that many of the elements of last years finding on the accounting department have been cleared and not repeated.